

## Message Text

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51 55

ACTION EA-14

INFO OCT-01 ISO-00 DRC-01 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 AID-20 EB-11 CIEP-02

TRSE-00 STR-08 OMB-01 CEA-02 COME-00 FRB-02 XMB-07

OPIC-12 LAB-06 SIL-01 INT-08 FPC-01 AEC-11 SCI-06

SCEM-02 EUR-25 /251 W

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R 060526Z NOV 73

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 1949

INFO AMCONSUL MELBOURNE

AMCONSUL SYDNEY

AMEMBASSY TOKYO

LIMITED OFFICIAL USE CANBERRA 6020

C O R R E C T E D C O P Y (REFERENCE A TO READ CANBERRA 5913  
VICE 5193)

E.O. 11652: N/A

TAGS: EFIN, ENRG, AS

SUBJ: WHITLAM AND CONNOR STATEMENTS ON INVESTMENT AND RESOURCES

REF: (A) CANBERRA 5913 (B) CANBERRA 5894

1. EMBASSY HAS RECEIVED TEXTS OF RECENT STATEMENTS ON FOREIGN  
INVESTMENT AND MINERALS-ENERGY POLICY BY PRIME MINISTER WHITLAM  
AND MINERALS AND ENERGY MINISTER CONNOR IN TOKYO DURING RECENT  
AUSTRALIA-JAPAN MINISTERIAL COMMITTEE (AJMC) MEETING. TEXTS WILL  
BE POUCHED ALONG WITH TWO JOINT COMMUNIQUEES AND TWO OTHER WHITLAM  
STATEMENTS (REF A) RELATED TO TOKYO VISIT.

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2. EMBASSY COMMENT: AS PREVIOUSLY REPORTED (REFS A AND B)

WHITLAM PRONOUNCEMENTS IN TOKYO HELPED CLARIFY GOA INVESTMENT AND RESOURCES POLICIES IN CERTAIN KEY AREAS BUT DID NOT DISPELL ALL UNCERTAINTIES. WHITLAM'S VARIOUS STATEMENTS STRESSED "SELECTIVE," "FLEXIBLE" AND "PRAGMATIC" NATURE OF GOA POLICIES. PRIME MINISTER REPEATEDLY EMPHASIZED THAT OVERSEAS CAPITAL STILL HAS "SIGNIFICANT ROLE" TO PLAY IN DEVELOPING AUSTRALIAN RESOURCES UNDER CERTAIN CONDITIONS. THESE CONDITIONS INCLUDE, MOST NOTABLY, THE RESERVATION OF FUTURE URANIUM, OIL, NATURAL GAS AND BLACK COAL DEVELOPMENT FOR "100 PER CENT AUSTRALIAN OWNERSHIP." OUTSIDE THESE FOUR FUELS, WHITLAM SAID RATION OF LOCAL TO FOREIGN EQUITY WILL BE NEGOTIATED ON CASE-BY-CASE BASIS, INDICATING THAT MAJORITY AUSTRALIAN OWNERSHIP IS NOT NECESSARILY AN AUTOMATIC REQUIREMENT.

3. AFTER 11 MONTHS OF CONTRADICTORY POLICY STATEMENTS FROM DIFFERENT MINISTERS, WHITLAM'S TOKYO STATEMENT IS HELPFUL IN RESOLVING PART OF THE UNCERTAINTY CONCERNING FUTURE GOA INVESTMENT AND RESOURCES POLICY. MOREOVER THE GUIDELINES NOW PRESCRIBED ARE ON THE WHOLE MORE FAVORABLE TO FOREIGN INVESTMENT THAN MOST OBSERVERS HAD EXPECTED ON THE BASIS OF EARLIER CABINET STATEMENTS. IT SHOULD BE NOTED HOWEVER, THAT THE GENERAL TONE OF THE STATEMENT MADE BY CONNOR IN TOKYO DURING THE SAME SERIES OF MEETINGS TENDS TO BE MORE RESTRICTIVE THAN THE WHITLAM GUIDELINES. AN EXAMPLE IS CONNOR'S ASSURANCE THAT "AT REASONABLE PRICES, ANY ENERGY SURPLUSES

WHICH AUSTRALIA POSSESSES BEYOND ITS OWN PRESENT AND PROJECTED NEEDS WILL BE AVAILABLE TO OUR BEST TRADING PARTNERS, WITH JAPAN RANKING HIGHEST ON THE LIST." CONNOR, WHO WILL IMPLEMENT THE GUIDELINES, NOT ONLY PLACES HEAVIER EMPHASIS IN HIS OWN STATEMENT ON DOMESTIC REQUIREMENTS THAN DOES THE WHITLAM FORMULATION, BUT IN ADDITION INJECTS THE POSSIBILITY OF DISCRIMINATION AMONG EXPORT BUYERS. WHITLAM'S TOKYO STATEMENT IS A FAVORABLE DEVELOPMENT FROM THE STANDPOINT OF FOREIGN INVESTMENT. IT REMAINS HOWEVER TO BE SEEN HOW MUCH THE ADMINISTRATIVE ROLE OF CONNOR, WHOSE BREW OF ECONOMIC NATIONALISM IS OF HIGHER PROOF THAN WHITLAM'S, WILL AFFECT THE DE FACTO APPLICATION OF WHITLAM'S GUIDELINES.

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Disposition Date:** 28 MAY 2004  
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